

Chief Financial Officer's Report

The Chief Financial Officer Mr Neil Collins is responsible for the management and administration of the Finance Department and directly accountable to the Municipal Manager. Owing to the small size of our Municipality, the department has a staff complement of eight staff members comprised as follows;

- one Chief Financial Officer
- one Financial Officer Administration
- one Bookkeeper
- one Intern
- one Debtors Clerk
- one Cashier
- two Motor Licensing Clerks

The positions of Salary and Wages Clerk and the Creditors Clerk are vacant.

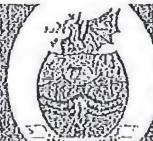
In terms of the Municipal Finance Management Act, Section 122 municipalities are required to prepare annual financial statements in accordance with GAMAAP/GRAP a requirement which we have successfully complied with.

Despite the challenges of a small staff establishment coupled with those of unfilled post, the department has managed to achieve most of its service delivery objectives with limited resources at its disposal.

In view of the successful implementation of new accounting standards and compliance with National Treasury guidelines as well as the commitment of every staff member involved, the financial management of the municipality is sound with the municipality achieving its first ever unqualified audit report. The financial statements as at 30 June 2008 indicated an accumulated surplus of R4 215 140.00, with an accumulated deficit of R455 753.00 for the year. However the revenue includes capital grants of R542 418 (capital expenditure grant funding) in accordance with GRAP/GAMAP, accordingly the accumulated surplus does not include capital grants. Therefore the actual deficit for the year is R998 171.00.

The major sources of revenue is grant funding in the form of equitable share which is used exclusively for operating purposes; rates and service charges (refuse removal) as well as rates and service charges. The cash flow situation presents a regular challenge. At year end the percentage paid in regard to accounts raised amounted to 40%. An aggressive debt recovery process has as a result been undertaken.

The municipality will be aggressive in its debt recovery endeavors particularly collection of rates and other outstanding debts in order to increase the municipality's revenue base.



Corporate Services Report

The Department of Corporate Services is headed by Ms S McAlister who is directly accountable to the Municipal Manager. This is the department that basically deals with a cross section of issues due to shortage of staff.

The department is comprised of law enforcement, disaster management, tourism, community services and administration. The total establishment for the department is supposed to be 16 staff members; however some vacant posts remain unfilled due to lack of funds. This has forced the department to multi skill its staff at all levels in order to fill the gaps caused by vacant posts thus causing a strain within the department.

Corporate Services Department is the nerve centre of the municipality and tasked with the responsibility of ensuring that it serves its internal clients (the employees) with distinction. The administration component of the department is charged with the responsibility of governance and institutional efficiency and of providing services to Councillors. Through the corporate guidance of our Head of department who is a seasoned local government practitioner with extensive experience acquired over the year, we have made a commitment to accomplish our desired objectives through collectivism and unit of purpose in executing our work. Capacity constraints have manifested themselves as an opportunity for the municipality to explore new way of conducting municipal business and of working smarter with an intention to produce more with less without compromising the service standards expected of us. However the current status quo can not be maintained indefinitely and as such there is a need to build the human resources capacity in all departments in order to meet the ever increasing demands for services by our communities.

Whilst the municipality is making progress in all respects, it would be in the best interest of the municipality to invest in a dedicated IT Specialist who will always be available at all times to deal with IT needs, requirement and challenges, thereby reducing the unprecedented down time currently experienced by the municipality.

It is envisaged that in a not too distant future once the department is fully resourced, it will be able to deal expeditiously with all the governance and staff needs of the municipality and most importantly all compliance issues that assist the municipality in maintaining an unqualified audit report.

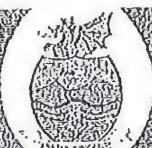


Planning Development and Technical Services

Although this department is severely deplete with no head of department, it remains one of the most important departments that deal with infra structure development needs of our communities. Currently the department forms part of Corporate Services.

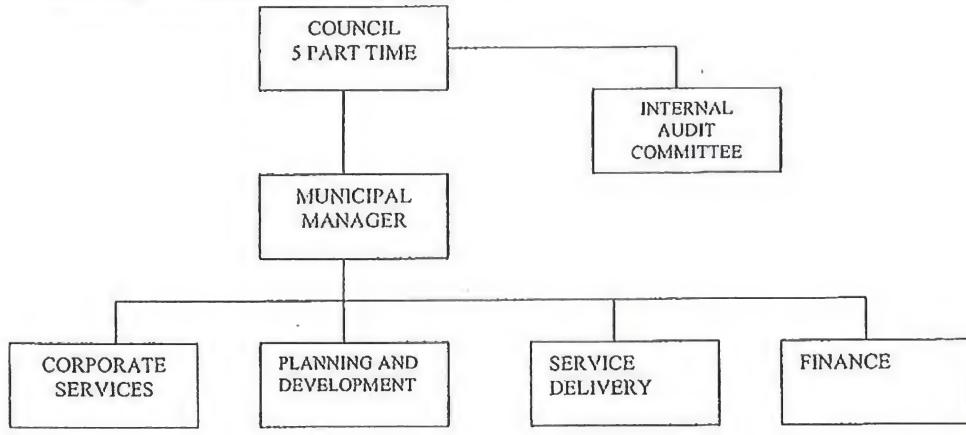
The department is comprised of four sub directorates namely, development control, regional planning, regional development, building control, GIS and technical services. To ensure that the unit continues to function despite capacity constraints, duties and responsibilities are shared amongst all staff in other departments, hence the emphasis on multi skilling.

The District Municipality also plays a pivotal role in assisting Kwa Sani to fulfill its service delivery mandates especially on those functions that are a responsibility of the District Municipality such as the provision of water and sanitation.

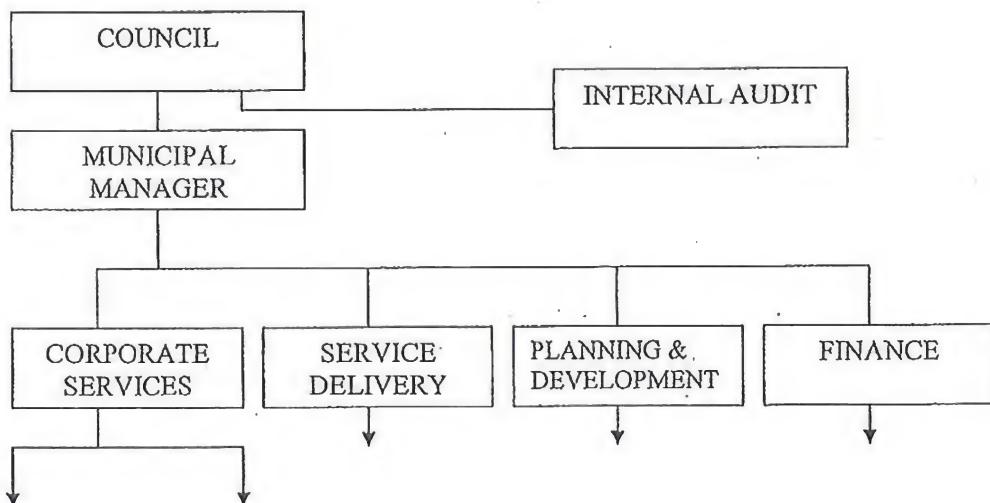


ORGANOGRAM AND INSTITUTIONAL LINKAGES

The following organizational structure gives a snap short synopsis of state of our municipal human resource capacity.



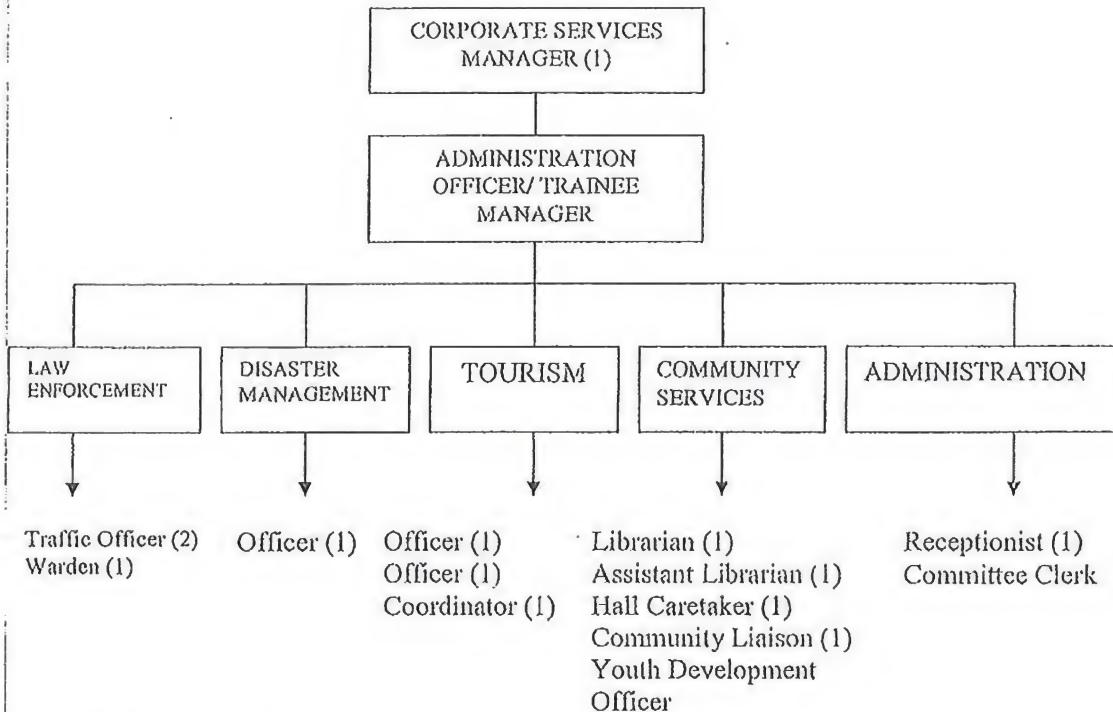
PROPOSED ORGANOGRAM (2006 - 8)



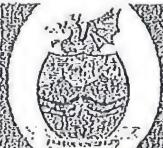
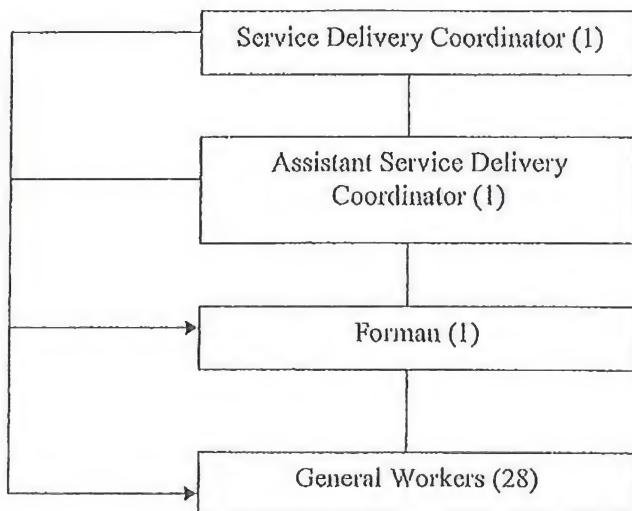
Law Enforcement	Secretarial H.R	Waste Disposal Sanitation	Town & Regional Building Control	Budget Revenue Collection
Disaster Management	Administration Tourism Community Services (Library/ community Halls)	Free Basic Services Works Department	Advertising Signs IDP/ LED Housing LUMS/ SDF Projects (Inception to completion)	Investments Stores Procurements Debtors/ Creditors Payroll Assets I.T



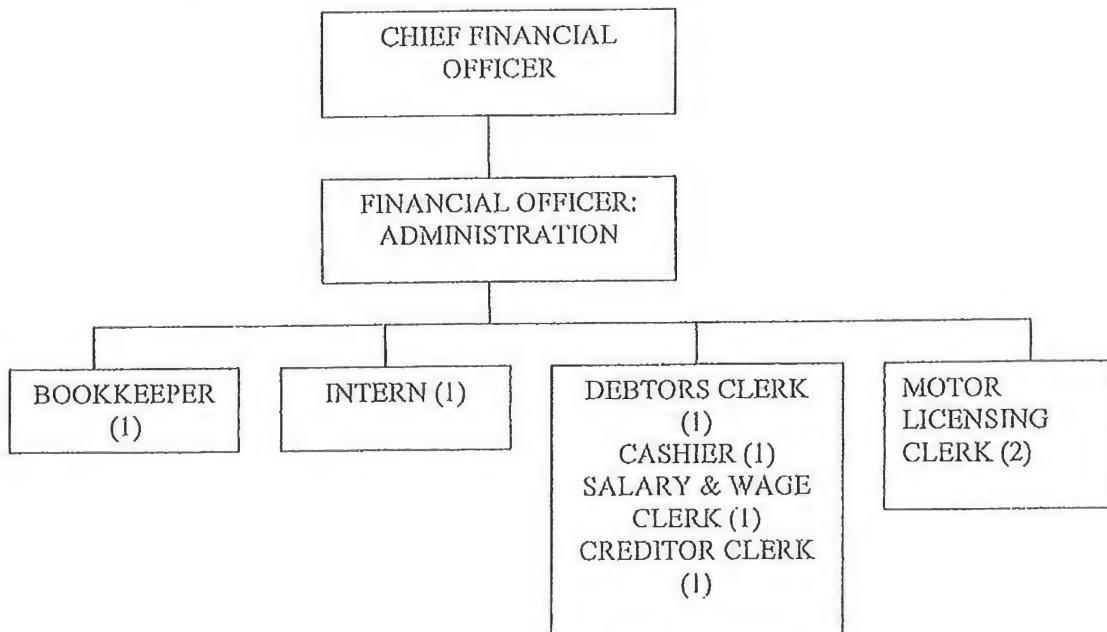
CORPORATE SERVICES



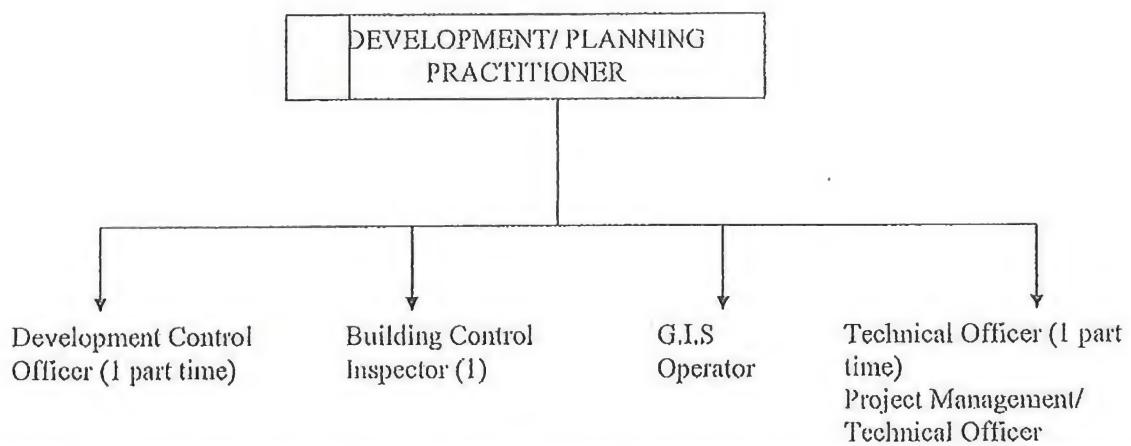
SERVICE DELIVERY



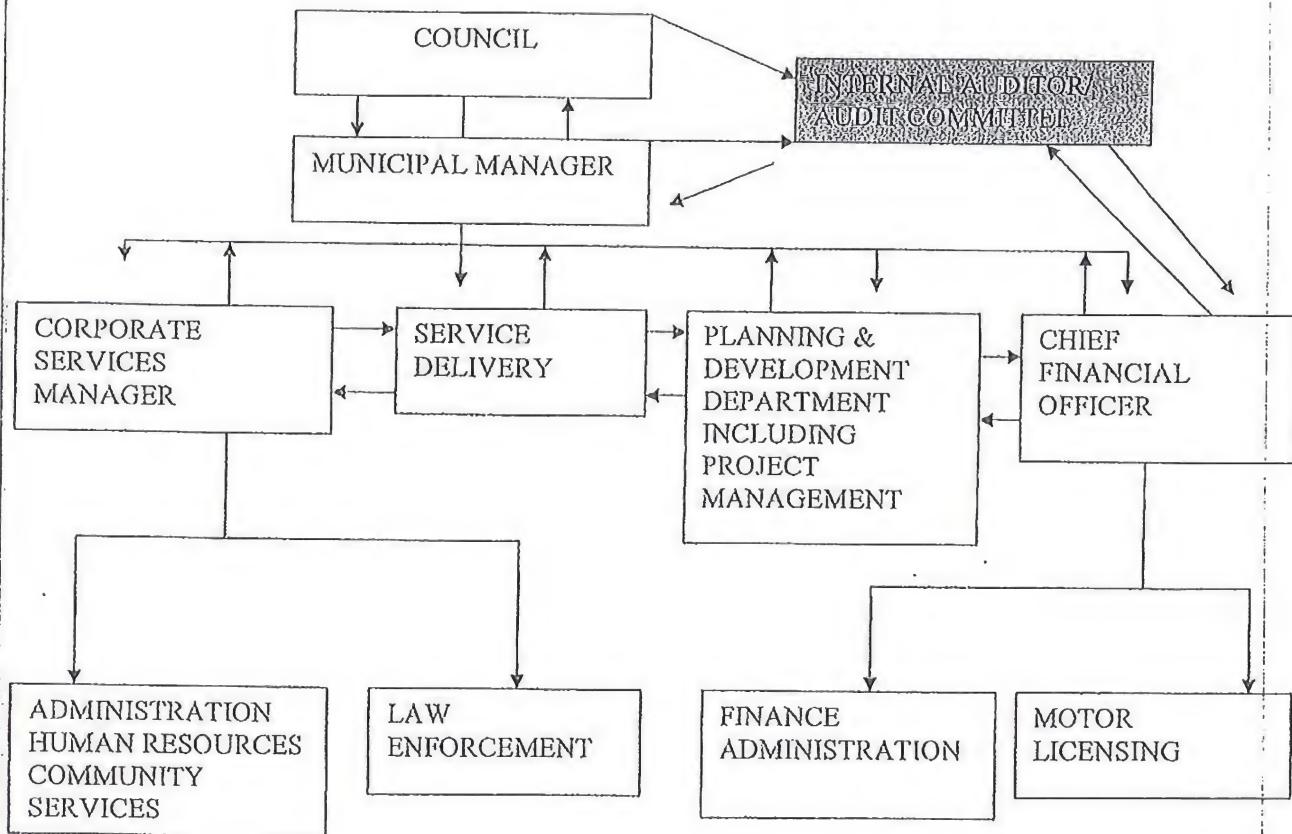
FINANCE



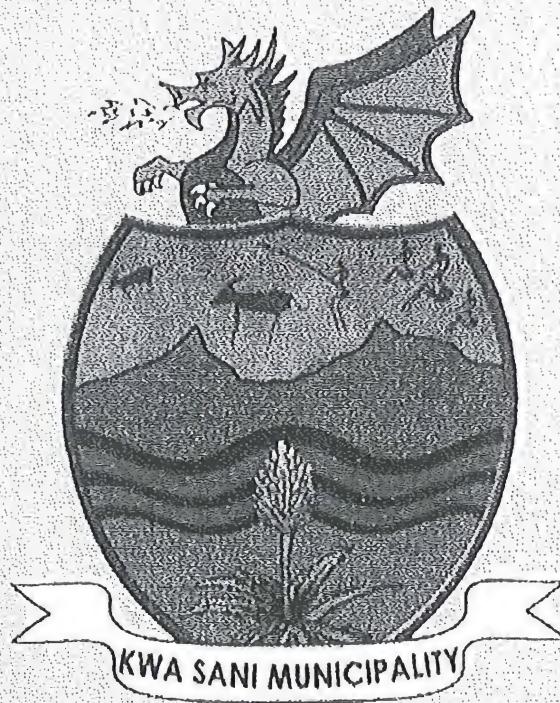
PLANNING, DEVELOPMENT & TECHNICAL SERVICES



INSTITUTIONAL LINKAGES



Kwa Sani



Municipality

Procedures and Policies



Kwa Sani Municipality

Policy and Procedures: Indigent Support

1. Purpose and aim of the policy

To create a guideline wherein poor households will have access to at least basic municipal services, namely – Rates & refuse removal

2. Definitions

“arrears” means any amount due owing and payable by a customer in respect of municipal services not paid on the due date;

“basic municipal services” means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety or the environment;

“customer” means a person with whom the Municipality or its authorized agent has concluded an agreement for the provision of municipal services;

“household” means a traditional family unit consisting of a maximum of eight persons (being a combination of four persons over the age of eighteen and four persons eighteen years and younger);

“household customer” means a customer that occupies a dwelling structure, or property primarily for residential purposes;

“indigent customer” means a household customer qualifying and registered with the Municipality as a indigent in accordance with the credit control and debt collection bylaws of Kwa Sani Municipality;

“owner” means –

- (a) the person in who from time to time is vested the legal title to premises;
- (b) in case where the person in whom the legal title to premises is vested is insolvent or deceased, or is under any form of legal disability what so ever, the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;
- (c) in any case where the Municipality or its authorised agent is unable to determine the identity of such person, a person who is entitled to the benefit of the use of such premises or a building or buildings thereon;
- (d) in the premises for which a lease agreement of 30 years or longer has been entered into, the lessee thereof;

(e) in relation to –

- (i) a piece of land delineated on a sectional plan registered in terms of the Sectional Title Act 1986 (Act No. 95 of 1986), the developer or the body corporate in respect of the common property;

or

- (ii) a section as defined in the Sectional Titles Act 1986 (Act No. 95 of 1986), the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed agent of such a person; or
- (f) a person occupying land under a register held by a tribal authority;

3. Specifications of the policy

The policy is formulated to achieving the following:

- To enable the Municipality to provide services to the poor households in a sustainable manner, within the Financial and administrative capacity of the Council;
- Reduce the level of debtors by crediting the indigent accounts;
- Facilitate the implementation of the Municipality's credit control and debt collection bylaw.

4. Indigent Support Policy Principles

The following should be the guiding principles in implementing the indigent support policy;

- (1) The indigent support policy is in accordance with the Local Government Municipal Systems Act, Act No. 32 of 2000 and other related legislation.
- (2) Relief will be provided by the Council to registered residential consumers of services.
- (3) The Council must, wherever possible, ensure that any relief is constitutional, practical, fair, equitable and justifiable to avoid alienating any group of households. There should be no differentiation whatsoever between any groups of residential consumers. It should only differentiate in the level of service rendered.
- (4) The subsidy for minimum service level should not result in the creation of a bureaucratic administration that would not be cost effective to implement.

- (e) the names and identity numbers of all occupants over the age of eighteen years who are residents at the property.
- (4) A customer applying for registration as an indigent customer shall be required to declare that all information provided in the application form and other documentation and information provided in connection with the application is true and correct.
- (5) The Municipality or its authorised agent shall counter-sign the application form and certify that the consequences and conditions of such an application for the customer were explained to the customer and that the customer indicated that the content of the declaration was understood.

7. Approval of application

- (1) The Municipality or its authorised agent may send authorised representatives to premises or households applying for registration as indigent customers to conduct an on site audit of information provided prior to approval of an application.
- (2) An application shall be approved for a period of 12 months only. Subsidies will be forfeited if the applicant fails to submit proof of income or to re-apply for the subsidy.

8. Conditions

The Municipality or its authorised agent may upon approval of an application or any time thereafter:

- (1) Install a pre-payment electricity meter for the indigent customer where electricity is provided by the Municipality or its authorised agents when implemented ; and
- (2) Limit the water supply services of an indigent customer to a basic supply of not less than 6 kiloliters per month where water is provided by the Municipality or its authorised agents.

9. Application every 12 months

- (1) An indigent customer must re-apply for indigent support every 12 months failing which the assistance will cease automatically.
- (2) The provisions of sections 10 and 11 shall apply to any application in terms of subsection (1).
- (3) The Municipality or its authorised agent cannot guarantee a renewal for indigent support.